

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04
CEA-01 PA-02 PRS-01 AGRE-00 /095 W
-----127194 061552Z /50

R 051642Z AUG 77
FM AMEMBASSY BONN
TO SECSTATE WASHDC 0381
DEPARTMENT TREASURY
INFO AMEMBASSY PARIS
AMEMBASSY BRUSSELS
USMISSION NATO
USNMR SHAPE
CINC EUR VAIHINGEN

UNCLAS BONN 12847

USOECD, USEEC

E.O. 11652: N/A
TAGS: ECON, EFIN, GW
SUBJECT: MILDLY ENCOURAGING JUNE INDUSTRIAL PRODUCTION
INCREASE AND DISAPPOINTING NEW ORDER DATA

REF: BONN 11125

1. THE SEASONAL ADJUSTED INDEX OF INDUSTRIAL PRODUCTION
ROSE BY 2 PERCENTAGE POINTS TO 114 IN JUNE. THERE WERE
NO CORRECTIONS IN PREVIOUS MONTHS DATA, BUT THESE, TOO,
REMAIN AS "PRELIMINARY" IN THE STATISTIC. WHILE THE
JUNE RISE GIVES SOME ENCOURAGEMENT, THE TWO-MONTH
COMPARISON USUALLY FAVORED BY THE GERMAN AUTHORITIES
STILL INDICATES A 1.8 PERCENTAGE DROP DURING THE
MAY/JUNE AS COMPARED TO THE MARCH/APRIL PERIOD. FOR
THE SECOND QUARTER, AS A WHOLE, SEASONAL ADJUSTED
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INDUSTRIAL PRODUCTION AVERAGED 1.7 PERCENT BELOW THE
FIRST QUARTER, THUS MAKING IT MOST LIKELY THAT GNP
ALSO DROPPED (BUT BY A LESSER PERCENTAGE) DURING THE
SECOND QUARTER.

2. THE JUNE INCREASE IN THE INDUSTRIAL PRODUCTION
INDEX WAS SPREAD THROUGHOUT ALL OF ITS MAJOR COMPONENT

PARTS. THE GREATEST PERCENTAGE INCREASES WERE REGISTERED BY THE FOOD INDUSTRY (4.4 PERCENT) AND BY MINING (4.0 PERCENT). MINING, HOWEVER, NEVERTHELESS REMAINED ABOUT 12 PERCENT BELOW ITS FIRST QUARTER AVERAGE. THE INDEX FOR THE INVESTMENT GOODS INDUSTRY ROSE BY ONLY 0.9 PERCENT, AS DID BASIC PRODUCTS AND CONSUMER PRODUCTS.

3. NEW ORDER DATA FOR JUNE WAS DISAPPOINTING. THE SEASONALLY ADJUSTED VOLUME DATA WHICH WE NORMALLY REPORT IS NOT YET AVAILABLE. FOR A SHORT-TERM COMPARISON PERCENTAGE CHANGES IN THE VALUE DATA, HOWEVER, TEND TO BE OF ALMOST THE SAME MAGNITUDE. ON A VALUE BASIS, THE SEASONALLY ADJUSTED ORDER INDEX FOR MAY WAS CORRECTED UPWARD BY 1.3 PERCENT AND THE JUNE INDEX DROPPED BACK BY 1.3 PERCENT FROM THE NEW MAY LEVEL. ALL OF THE JUNE DROP TOOK PLACE IN ORDERS FROM ABROAD WHICH DROPPED BACK 5.9 PERCENT FROM THEIR MAY LEVEL WHICH ITSELF WAS CORRECTED UPWARD BY 2 PERCENT FROM PREVIOUSLY REPORTED FIGURES. DOMESTIC ORDERS, ON THE OTHER HAND, INCREASED BY 1.5 PERCENT OVER THEIR MAY LEVEL (WHICH WAS NOT CORRECTED).

4. THE JUNE DROP IN FOREIGN ORDERS TOOK PLACE IN BOTH BASIC AND INVESTMENT GOODS INDUSTRIES, WHILE CONSUMER GOODS MAINTAINED THEIR DOWNWARD (CORRECTED) MAY LEVEL.

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ON THE DOMESTIC SIDE, THE JUNE INCREASE IN ORDERS WAS SPREAD FAIRLY UNIFORMLY OVER ALL SECTORS BROKEN OUT IN THE SEASONALLY ADJUSTED STATISTICS.

5. DESPITE THE UPWARD CORRECTION OF MAY ORDER DATA, A TWO-MONTH COMPARISON CONTINUES TO BE MORE UNFAVORABLE THAN THE ONE-MONTH ONE WITH THE VALUE OF TOTAL ORDERS DURING THE MAY/JUNE PERIOD 2.3 PERCENT BELOW THAT DURING MARCH/APRIL. THE TWO-MONTH COMPARISON, HOWEVER, DOES MODERATE THE DROP IN ORDERS FROM ABROAD TO 3.2 PERCENT AT THE EXPENSE OF DOMESTIC ORDERS WHICH IN VALUE TERMS DECREASED BY 1.8 PERCENT DURING THE MAY/JUNE PERIOD.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL PRODUCTION, DATA, ECONOMIC TRENDS
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Aug-1977 12:00:00 am
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770283-0101
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770894/aaaadbst.tel
Line Count: 108
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: af057061-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 BONN 11125
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1703137
Secure: OPEN
Status: NATIVE
Subject: MILDLY ENCOURAGING JUNE INDUSTRIAL PRODUCTION INCREASE AND DISAPPOINTING NEW ORDER DATA
TAGS: ECON, EFIN, GE
To: STATE TRSY
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/af057061-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009